

## Message Text

SECRET

PAGE 01 STATE 202121

63

ORIGIN TRSE-00

INFO OCT-01 SS-14 ISO-00 EUR-10 NSC-10 NSCE-00 CIAE-00

INR-10 NSAE-00 RSC-01 EB-03 L-02 PRS-01 SPC-01 AF-04

DRC-01 /058 R

66615

DRAFTED BY TREAS:SYCROSS

APPROVED BY EB/IFD-MR. WEINTRAUB

TREAS:UNDER SECRETARY VOLCKER

EUR/WE:EJBEIGEL

----- 080999

R 112229Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY PARIS

S E C R E T STATE 202121

LIMDIS

SUBJECT: GOF ASSESSMENT OF NAIROBI MEETING

REF: PARIS 26182

1. WE SHOULD NOTE GISCARD AND HIS ASSISTANTS, BOTH PRIVATELY AND IN PUBLIC COMMENTS, HAVE REPEATEDLY AND FREELY INDICATED THEIR VIEWS THAT TIME IS NOT YET RIPE FOR AGREEMENT ON MONETARY REFORM. THEY HAVE CONSISTENTLY HELD THAT WITH IMPROVEMENT IN U.S. BALANCE OF PAYMENTS NEXT YEAR, IT WILL BE EASIER AT THAT TIME TO REACH AGREEMENT ON REFORM. THESE VIEWS WERE REITERATED AT NAIROBI. AGAINST THIS BACKGROUND, WE HAVE HAD ABSOLUTELY NO SENSE THAT FRANCE EXPECTED OR WANTED MUCH PROGRESS AT NAIROBI. IT IS EVEN STRANGER THAT THEY WOULD SUGGEST THAT U.S. FOOT-DRAGGING IS RESPONSIBLE FOR INABILITY TO REACH AGREEMENT IN NAIROBI. OBVIOUSLY, THE FRENCH WISH WE WOULD "GIVE" ON SOME ASPECTS OF THE NEGOTIATIONS,

SECRET

SECRET

PAGE 02 STATE 202121

AND FEEL THAT TIME IS ON THEIR SIDE. IF THEY CAN INCREASE

THE PRESSURE BY AN ATMOSPHERE OF U.S. FOOT-DRAGGING, SO MUCH THE BETTER.

2. WE ALSO NOTE, GIVEN WELL-KNOWN DIFFERENCES BETWEEN ELYSEE AND FINANCE MINISTRY ON INTERNATIONAL MONETARY MATTERS, THERE ARE POSSIBILITIES FOR GETTING CAUGHT IN THE MIDDLE BETWEEN THE TWO. U.S. OBVIOUSLY DOES NOT WANT TO BE IN THAT POSITION. POMPIDOU MAY WELL FEEL MORE URGENCY THAN GISCARD. POSSIBLY GISCARD IS MAINTAINING HIS PRESIDENT'S OPTIONS. FREYCHE MAY BE PROBING TO CREATE PRESSURE FOR U.S. TO "GIVE."

3. WE CANNOT KNOW WHAT MIXTURE OF MOTIVES OR MISUNDERSTANDING STIMULATED FREYCHE CONCERNS, BUT YOU SHOULD BE CLEAR THAT IT WAS SOME EUROPEANS--LED BY ITALIANS AND DUTCH--WHO ATTACKED CHAIRMAN MORSE'S ATTEMPT TO SUMMARIZE CONSENSUS OF WASHINGTON C-20 MEETING FOR SYSTEM OF BALANCE OF PAYMENTS ADJUSTMENT BASED ON BLENDING OF RESERVE INDICATOR AND ASSESSMENT. FREYCHE'S COMMENTS IN ASSERTING IT WAS US. WHO "RETREATED" FROM WASHINGTON CONSENSUS IS SIMPLY INCORRECT; CERTAIN EUROPEANS REJECTED THE PRESUMED CONSENSUS BEFORE THE U.S. EVEN SPOKE. FRENCH REPRESENTATIVES AT PARIS MEETING TOLD US PRIVATELY BUT FRANKLY THEY WERE UNABLE TO AGREE AT THIS STAGE TO THE "CONSENSUS" OR TO MUCH OF THE REST OF THE OUTLINE.

4. SUGGEST THAT IN ANY FURTHER CONVERSATION ON THIS SUBJECT, YOU REFER TO OUR DISAPPOINTMENT THAT THE NEGOTIATIONS COULD NOT ADVANCE FURTHER AT NAIROBI, AGAINST EARLIER BACKGROUND OF EUROPEAN BACKING OFF FROM MORSE'S ATTEMPT TO STATE WASHINGTON CONSENSUS. U.S. CONTINUES TO THINK THAT BLENDING OF RESERVE INDICATORS AND ASSESSMENT CAN RESULT IN EFFECTIVE ADJUSTMENT MECHANISM ACCEPTABLE TO ALL.

5. MORE GENERALLY, WE UNDERLINE CONCERN ABOUT ADDING TO CONFUSION BY GETTING CAUGHT IN DELICATE ELYSEE-FINANCE MINISTRY PAS DE DEUX, AND DOUBT THAT ISSUES SHOULD BE SUBSTANTIVELY DEBATED THROUGH FREYCHE. VOLCKER EXPECTS TO BE IN PARIS LATER THIS MONTH, AND CAN FILL

SECRET

SECRET

PAGE 03 STATE 202121

YOU IN FURTHER.  
KISSINGER

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 OCT 1973  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** willialc  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE202121  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SYCROSS  
**Enclosure:** n/a  
**Executive Order:** RR  
**Errors:** N/A  
**Film Number:** n/a  
**From:** SECSTATE WASHDC  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731037/aaaabaus.tel  
**Line Count:** 109  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN TRSE  
**Original Classification:** SECRET  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** 73 PARIS 26182  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** willialc  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28-Aug-2001 by shawdg>; APPROVED <21-Nov-2001 by willialc>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOF ASSESSMENT OF NAIROBI MEETING  
**TAGS:** n/a  
**To:** PARIS  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005